

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0569-04  
Bill No.: SB 147  
Subject: Elections; Ethics; General Assembly; Governor; Lobbying; Public Officers  
Type: Original  
Date: January 26, 2015

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Bill Summary: This proposal modifies the law relating to the ethical behavior of public officials and lobbyists.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Department of Corrections (DOC)** assume the penalty provision component of this proposal resulting in potential fiscal impact for DOC, is for up to a class D felony. Based upon historical data, DOC assumes that approximately one offender per year would be sentenced to incarceration and two offenders per year would be sentenced to supervision under this proposal. The average length of incarceration is 12 months and average length of supervision is 3 years. Full implementation of this proposal would occur in year 4.

The FY 2014 average cost of supervision is \$6.72 per offender per day or an annual cost of \$2,453 per offender. The DOC cost of incarceration is \$16.725 per day or an annual cost of \$6,105 per offender.

DOC would assume costs would be \$9,176 in year one, \$18,737 in year two, and \$26,768 in year three, and \$29,917 in year four. (The chart below shows a 2% inflation rate each year)

	# to Prison	Cost per year	Total Cost	# to Probation	Cost per year	Total Cost of Probation	Grand Total
Yr 1	1	\$6,105	\$6,105	2	\$2,453	\$4,906	\$9,176
Yr 2	1	\$6,105	\$6,105	5	\$2,453	\$12,265	\$18,737
Yr 3	1	\$6,105	\$6,105	8	\$2,453	\$19,624	\$26,768
Yr 4	1	\$6,105	\$6,105	9	\$2,453	\$22,086	\$29,917
Yr 5	1	\$6,105	\$6,105	9	\$2,453	\$22,095	\$30,525
Yr 6	1	\$6,105	\$6,105	9	\$2,453	\$22,104	\$31,145
Yr 7	1	\$6,105	\$6,105	9	\$2,453	\$22,113	\$31,778
Yr 8	1	\$6,105	\$6,105	9	\$2,453	\$22,122	\$32,424
Yr 9	1	\$6,105	\$6,105	9	\$2,453	\$22,131	\$33,083
Yr 10	1	\$6,105	\$6,105	9	\$2,453	\$22,140	\$33,755

ASSUMPTION (continued)

**Oversight** assumes that the incarceration of one offender and supervision of two offenders would create a minimal fiscal impact and DOC could absorb the costs with existing resources.

Officials at the **Missouri Ethics Commission (MEC)** assume MEC identifies significant violations during the process established in Section 105.955.14 (2), (3), RSMo or complaints received increase significantly an investigator would be required to review potential violations. MEC would anticipate that changes or additions to the proposed language set forth in this bill, may require additional associated costs for FTE, equipment, and expenses.

**Oversight** assumes that should MEC have a significant increase in complaints, the MEC can seek additional resources through the appropriation process.

Officials at the **Office of Prosecution Services (OPS)** assume no measurable fiscal impact. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

Officials at the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the State Courts Administrator** and the **Office of the State Public Defender** each assume no fiscal impact from this proposal to their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This act bars members of the General Assembly to act as paid political consultants until one year after the expiration of the term of office for which the member was elected.

A two year cooling off period is imposed for members of the General Assembly before they may become lobbyists.

The act modifies the definition of "elected local government official lobbyist" to include individuals who are employed specifically for the purpose of attempting to influence an action by an elected school district official.

The act prohibits members of the General Assembly from serving as a compensated elected local government lobbyist.

The act modifies the definition of "public official" to include any superintendent of a school district or school board members.

The act permits members of the General Assembly to act as a lobbyist immediately upon vacating their position if done so without compensation and for the benefit of religious or charitable associations organized under Chapter 352.

The act prohibits any member of the General Assembly, the Governor, Lt. Governor, Attorney General, Secretary of State, State Treasurer, or State Auditor from soliciting any registered lobbyist for any position with a hiring date beginning after such person is no longer an elected official.

The act prohibits any individual or business entity from soliciting a member of the General Assembly to become employed as a legislative lobbyist.

The act prohibits the Governor or any person acting on behalf of the Governor to offer or promise to confer an appointment to any board, commission, committee, council, county office, department directorship, fee office, judgeship, or any other position, to any member of the General Assembly in exchange for the member's official vote on a public matter.

FISCAL DESCRIPTION (continued)

The act makes it a crime of acceding to corruption for a member of the General Assembly to accept an appointed position from the Governor in exchange for a vote on a public matter.

The act prohibits the Governor, Lieutenant Governor, Attorney General, Secretary of State, State Treasurer, State Auditor, state senator, or state representative from accepting any tangible or intangible item, service, or thing of value from any lobbyist not including informational material or campaign contributions.

The act modifies the exceptions to "expenditures" to include any item, service or thing of value transferred to any person within the third degree of affinity of the transferor which is unrelated to any activity of the transferor as a lobbyist.

The act stipulates that lobbyists are required to report all entities they represent to the third degree even if they are not directly compensated by such entities.

The act establishes that any person who engages in lobbying activities and knowingly fails to register as a lobbyist is guilty of a class B misdemeanor for the first violation and a Class E felony for subsequent violations.

The act requires all political officers to complete four hours of ethics training within 120 days after taking office, appointment, or employment. Such training must additionally be completed once every two years. Failure to complete such training results in a notice of noncompliance from the Missouri Ethics Commission. Failure to complete training within 30 days of such notice results in such political officer not receiving compensation until in compliance with the law. A political officer includes the Governor, Lt. Governor, Attorney General, Secretary of State, State Treasurer, State Auditor, and any member of the General Assembly; and the principal administrative or deputy officers or assistants serving the Governor, Lieutenant Governor, Secretary of State, State Treasurer, State Auditor and Attorney General.

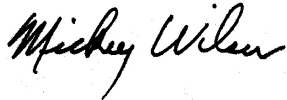
Currently, obstruction of an ethics investigation is punishable as a Class A misdemeanor. This act changes that to a class E felony.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri Ethics Commission  
Office of the Attorney General  
Office of the State Public Defender  
Department of Corrections  
Office of the State Courts Administrator



Mickey Wilson, CPA  
Director  
January 26, 2015

Ross Strobe  
Assistant Director  
January 26, 2015